

(3) For purposes of paragraphs (c)(1) and (c)(2) of this section, ownership interests shall be calculated on a fully diluted basis, *i.e.*, all agreements, such as warrants, stock options, and convertible debentures, will generally be treated as if the rights thereunder already have been fully exercised.

(d) In the event that a licensee misses three or more milestones within any three-year period, the Commission will presume that the licensee obtained one or more of those licenses for speculative purposes. Unless the licensee rebuts this presumption, it will not be permitted to apply for a GSO-like satellite or an NGSO-like satellite system in any frequency band if it has two or more satellite applications pending, or two licensed-but-unbuilt satellite systems of any kind. This limit will remain in effect until the licensee provides adequate information to demonstrate that it is very likely to construct its licensed facilities if it were allowed to file more applications.

(e) For purposes of this section, “frequency band” means one of the paired frequency bands available for satellite service listed in § 25.202.

[68 FR 51506, Aug. 27, 2003]

#### FORFEITURE, TERMINATION, AND REINSTATEMENT OF STATION AUTHORIZATION

##### § 25.160 Administrative sanctions.

(a) A forfeiture may be imposed for failure to operate in conformance with the Communications Act, license specifications, any conditions imposed on an authorization, or any of the Commission’s rules and regulations; or for failure to comply with Commission requests for information needed to complete international coordination or for failure to cooperate in Commission investigations with respect to international coordination.

(b) A forfeiture will be imposed and the station license may be terminated for the malicious transmissions of any signal that causes harmful interference with any other radio communications or signals.

(c) A station license may be revoked for any repeated and willful violation of the kind set forth in paragraphs (a) and (b) of this section.

(d) The sanctions specified in paragraphs (a), (b), and (c) of this section will be imposed only after the licensee has been provided an opportunity to be heard pursuant to titles III and V of the Communications Act of 1934, as amended.

(e) For purposes of this section, the term “repeated” and “willful” are defined as set out in section 312(f) of the Communications Act, 47 U.S.C. 312(f).

##### § 25.161 Automatic termination of station authorization.

A station authorization shall be automatically terminated in whole or in part without further notice to the licensee upon:

(a)(1) Failure to meet any applicable milestone for implementation of the licensed satellite system specified in §§ 25.164(a) and/or (b), without demonstrating that the failure was caused by circumstances beyond the licensee’s control, or

(2) If there are no applicable milestones for implementation of the licensed satellite system specified in §§ 25.164(a) and/or (b), the expiration of the required date of completion of construction or other required action specified in the authorization, or after any additional time authorized by the Commission, if a certification of completion of the required action has not been filed with the Commission unless a request for an extension of time has been filed with the Commission but has not been acted on.

(b) The expiration of the license period, unless an application for renewal of the license has been filed with the Commission pursuant to § 25.120(e); or

(c) The removal or modification of the facilities which renders the station not operational for more than 90 days, unless specific authority is requested.

[56 FR 24016, May 28, 1991, as amended at 68 FR 51507, Aug. 27, 2003]

##### § 25.162 Cause for termination of interference protection.

The protection from interference afforded by the registration of a receiving earth station shall be automatically terminated if:

(a) The request for registration is not submitted to the Commission within 3

months of the completion of the frequency coordination process, except as provided for in § 25.203;

(b) The receiving earth station is not constructed and placed into service within 6 months after completion of coordination;

(c) The Commission finds that the station has been used less than 50% of the time during any 12 month period;

(d) The Commission finds that the station has been used for an unlawful purpose or otherwise in violation of the Commission's rules, regulations or policies;

(e) The Commission finds that the actual use of the facility is inconsistent with what was set forth in the registrant's application; or

(f) The Commission finds that the frequency coordination exhibit, upon which the granted registration is based, is incomplete or does not conform with established coordination procedures.

**§ 25.163 Reinstatement.**

(a) A station authorization terminated in whole or in part under the provisions of § 25.161 may be reinstated if the Commission, in its discretion, determines that reinstatement would best serve the public interest, convenience and necessity. Petitions for reinstatement will be considered only if:

(1) The petition is filed within 30 days after the expiration date set forth in § 25.161(a) or § 25.161(b), whichever is applicable;

(2) The petition explains the failure to file a timely notification or renewal application; and

(3) The petition sets forth with specificity the procedures which have been established to insure timely filings in the future.

(b) A special temporary authorization shall automatically terminate upon the expiration date specified therein, or upon failure of the grantee to comply with any special terms or conditions set forth in the authorization. Temporary operation may be extended beyond the termination date only upon application to the Commission.

**§ 25.164 Milestones.**

(a) Licensees of geostationary orbit satellite systems other than DBS and DARS satellite systems, including GSO MSS satellite systems, licensed on or after August 27, 2003 will be required to comply with the schedule set forth in paragraphs (a)(1) through (a)(4) of this section in implementing their satellite systems, unless a different schedule is established by Title 47, Chapter I, or by Commission Order, or by Order adopted pursuant to delegated authority. These dates are to be measured from the date the license is issued.

(1) *One year*: Enter into a binding non-contingent contract to construct the licensed satellite system.

(2) *Two years*: Complete the critical design review of the licensed satellite system.

(3) *Three years*: Begin the construction of the satellite.

(4) *Five years*: Launch and operate the satellite.

(b) Licensees of non-geostationary orbit satellite systems other than DBS and DARS satellite systems licensed on or after September 11, 2003, will be required to comply with the schedule set forth in paragraphs (b)(1) through (b)(5) of this section in implementing their satellite systems, unless a different schedule is established by Title 47, Chapter I, or by Commission Order, or by Order adopted pursuant to delegated authority. These dates are to be measured from the date the license is issued.

(1) *One year*: Enter into a binding non-contingent contract to construct the licensed satellite system.

(2) *Two years*: Complete the critical design review of the licensed satellite system.

(3) *Two years, six months*: Begin the construction of the first satellite in the licensed satellite system.

(4) *Three years, six months*: Launch and operate the first satellite in the licensed satellite system.

(5) *Six years*: Bring all the satellites in the licensed satellite system into operation.

(c) Licensees of all satellite systems, other than DBS and DARS satellite